

**FINANCE COMMITTEE MEETING
MINUTES**

The Board of Pilot Commissioners Finance Committee meeting met Wednesday **October 22, 2008 at 9:00 a.m.** at the Board of Pilot Commissioners office, Pier 9, Suite 102, San Francisco, CA. Commissioner Osen presiding. Committee members Commissioner Wainwright and SFBP Business Director ken Levin and Executive Director Moloney and Secretary Evans were in attendance.

Agenda:

1. Review/approve **minutes** of the August 21 and September 10, 2008 meetings.

The minutes were unanimously approved.

2. Review status of Department of Finance response to Board's Budget Change Proposal to seek expenditure authority for anticipated legal defense costs in COSCO BUSAN litigation, possible recommendations to increase Board operations surcharge re same.

Executive Director Moloney reported that the Executive Order was lifted and that all invoices have been paid.

Cindy Rust, Budget Analyst, participated on speakerphone and reported that the BCP likely will be approved in early November. The Committee inquired with the Budget office on how it interprets HNC 1159.1 regarding legal expenses due to the COSCO BUSAN incident. Cindy Rust will ask DCA legal counsel for an opinion on 1159 and report back to the Committee. The item will be included in the next Committee meeting agenda for further discussion.

3. Review **Pilot Vessel Surcharge**, current rate (10.74 mils effective October 1, 2008), projected revenue and expenditures (including remaining loan payments for current station boats and anticipated loan payments for new station boat to replace P/V DRAKE), reserve balance; develop recommendations to full Board to adjust rate if warranted.

The Committee reviewed the Pilot Vessel Surcharge Mr. Levin distributed graph of the Projected Pilot Vessel Surcharge. There is no recommendation at this time.

4. Review **BOPC Fund Condition**, revenue and expenditure projections (see item 2 above); including monthly data changes on pilotage fees and vessel moves and its effect on (a) **Board Operations Surcharge** (currently 2.4%); (b) **Pilot Training Surcharge** (currently \$45/move), and (c) **Trainee Training Surcharge** (currently \$9/trainee/move) -- develop possible recommendations to Board to adjust rates if warranted.

The Committee reviewed the BOPC Fund Condition. There is no recommendation at this time. Cindy Rust, Budget Analyst, reported that the Budget office would closely monitor the fund closely and advise when the surcharge needs to be increased.

5. Comment on matters not on the agenda.

The next Finance Committee meeting is scheduled for November 19, 2008 at 10:30 a.m., in the Board office, Pier 9, Suite 102, San Francisco.

Respectfully submitted,

Alice A. Evans
Secretary